

**Verizon New England Inc.
d/b/a Verizon Massachusetts**

Commonwealth of Massachusetts

D.T.E. 03-63

Respondent: John Conroy
Title: Vice President

REQUEST: Department of Telecommunications and Energy, Set #1.

DATED: June 25, 2003

ITEM: DTE-VZ/SETB 1-1 Refer to lines 1-5, identifying the annual costs of provisioning E911. Please identify the Verizon tariff provisions that specify the tariff rates for the items on lines 2-5. In addition, provide the source of the current number of records in the E911 database and the Public Safety Answering Points. Please explain how Verizon or the SETB calculated the estimated numbers on lines 2-5.

REPLY: The tariff rates for the items on lines 2-5 are contained in Verizon Massachusetts Tariff DTE No. 12, Part E, Section 2 Page 215. The tariff page is attached and is available at <http://tariffs.verizon.com/cyberdocs.asp?optState=MA>

The source of the number records is the E911 database as of November 2002. The source for the number of Public Safety Answering Points is a list of PSAP locations being maintained by Verizon as of November 2002. In addition, both numbers were also included in Verizon MA's Tariff Filing Support Package for Tariff Transmittal No. 03-33 (State Emergency Telecommunications Board Customer Specific Pricing Plan), filed with the Department on March 21, 2003.

The projected costs included on lines 2-5 were calculated by applying the tariff charges to the number of database records or PSAP locations. A workpaper demonstrating the calculations is also attached.

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ITEM: DTE-VZ/SETB 1-3 Refer to line 15, identifying how the deficit is to be recovered from the surcharge. The proposal states that the deficit, along with \$381,000 per year for capital expenditures for the current E911 system that are not yet fully depreciated, are reduced by projected directory assistance revenues. Please explain what is meant by “are not yet fully depreciated.”

REPLY: The E911 capital assets, including PSAP equipment, circuit equipment, network equipment, and other capital investments, totaling over \$35M (net of retirements) were not fully depreciated as of December 31, 2002. Therefore, the depreciation expenses associated with those assets were not included in the deficit reported in Verizon MA’s Twelfth Annual Tracking Report but must be recorded as an expense over the 5 year planning period.

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ITEM: DTE-VZ/SETB 1-4 Please provide an electronic copy of the most recent Annual Tracking Report filed with the Department.

REPLY: Some attachments to Verizon MA's Twelfth Annual Tracking Report cannot be provided in electronic format because they contain historical data that is unavailable electronically. Therefore, Verizon MA will provide an electronic copy of the report and attachments, to the extent that they are readily available. It should be noted that electronic copies of Attachments 1, 7 and 8 are only available in Lotus 1-2-3 format.

VZ # 4

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Respondent: John Conroy
Title: Vice President

REQUEST: Department of Telecommunications and Energy, Set #1.

DATED: June 25, 2003

ITEM: DTE-VZ/SETB 1-5 Refer to line 15, identifying how the deficit is to be recovered from the surcharge. Please provide a copy of the June 11, 2003 letter from Verizon to the Department identifying Verizon's recent back-billing of the E911 infrastructure charge contained in Verizon's tariff and interconnection agreements with competitive local exchange carriers.

REPLY: Please see attached. The attachment, which contains CLEC specific information, is not included.

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ITEM: DTE-VZ/SETB 1-6 Refer to line 18, which represents an estimate for uncollectible revenues. Does Verizon provide its uncollectible revenues figure in any report filed with the Department or other government entity? If so, please provide a copy of the report identifying Verizon's 2002 uncollectible revenues.

REPLY: The uncollectible revenues shown on line 18 are not shown in any reports filed with the DTE or other government agency.

The uncollectible revenue figure shown in line 18 is an estimate of uncollectible surcharge revenues resulting from applying a composite rate to the estimated amount of costs to be recovered. The composite rate reflects Verizon MA's actual experience during 2002. Attachment 1 shows the derivation of the composite rate.

VZ # 6

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ITEM: DTE-VZ-SETB 1-7 Reference the June 23, 2003 comments of AT&T Communications of New England, Inc. at 5. Please provide a copy of the most recent E911 annual funding report.

REPLY: Verizon MA assumes that AT&T is referring to the Annual Tracking Report. That report is attached.

VZ # 7